



OCT 10 2018

**MEMORANDUM FOR PBS REGIONAL COMMISSIONERS, PBS
REGIONAL LEASING DIRECTORS AND PBS
REGIONAL LEASE ACQUISITION OFFICERS**

FROM:

**ALLISON H. AZEVEDO
ASSISTANT COMMISSIONER FOR OFFICE OF
LEASING - PR**

**STUART BURNS
ASSISTANT COMMISSIONER FOR OFFICE OF PORTFOLIO
MANAGEMENT AND CUSTOMER ENGAGEMENT - PT**

Subject: Leasing Alert (LA-FY18-07) - Payment for Extended, Multi-Shift,
or Continuous Mission-Related Services in Leases

1. Purpose: This Leasing Alert establishes policy designed to:

- a. Eliminate the administrative burden on GSA, client agencies, and lessors related to collecting and paying for regular and recurring ("repeat") mission-driven extended, multi-shift, or continuous services such as 24/7 Heating, Ventilation, and Air-Conditioning (HVAC), janitorial services, and special equipment maintenance, that were historically treated as "above standard services" under the PBS Pricing Desk Guide.
- b. Obtain more favorable rates for these services through more timely payment and reduced administrative burden to lessors.

2. Background:

- a. In 2017, the PBS Office of Acquisition identified inefficiencies in the processing of RWAs for regular and recurring "above standard" services in leased space. The Office of Leasing was asked to identify alternatives to this process in order to reduce the administrative burden on lessors, client agencies, Lease Administration Managers (LAMs), 1102 Contracting Officers, and GSA Lease Contracting Officers (LCOs). In response, the Office of Leasing examined RWAs

for overtime utility (OTU) services processed by PBS during FY 15 through FY17, looking specifically at repeat OTU requests. We found that PBS processed approximately 2,500 OTU RWAs, of which almost half (1,115) were for "repeat" services that required almost 30,000 man-hours to process. These repeat RWAs generally were small value where GSA's processing costs exceeded fees collected by approximately \$800,000. Based on this analysis, PBS began to explore alternatives to eliminate the processing of RWAs for repeat OTU and other above-standard services, and instead include such costs in the lease rental rate.

- b. In order to make such a change, PBS needed to evaluate its current pricing policies which require that all above standard services required by a tenant agency be paid via RWA funding and not included in the rent. Essentially any services, including heating or cooling requirements beyond the standard operating hours (i.e., typically a 10- hour shift), as determined by the local market, were considered above standard.

In 2014, the Office of Leasing issued policy to eliminate RWAs for server rooms 500 SF or less and include the overtime heating and cooling costs for these server rooms in the rental rate¹. This policy successfully eliminated inefficiencies and reduced administrative costs associated with server-room repeat RWAs, and prompted the Office of Leasing and the Office of Portfolio Management and Customer Engagement to expand the definition of "standard services," as outlined under the Pricing Desk Guide, to include all extended, multi-shift or continuous services in instances where such are required by the client agency as part of their mission.

Analysis of the estimated impact of this change revealed that incorporating these repeat OTU RWAs into customers' rent bills would have minimal impact on the BA53 rental account (approximately one-tenth of one percent) and to the PBS fees charged to the majority of our customer agencies, while at the same time reducing PBS' processing workload by approximately 10,000 man-hours annually (representing an estimated annual savings of approximately \$500,000), and reducing lessors' and customers' administrative workloads.

- c. Based on this analysis, extended, multi-shift, or continuous repeat services that are required in support of an agency's mission for normal operations can now be

¹ On September 17, 2014, the Office of Leasing, in consultation with Office of Portfolio Management, issued Lease Acquisition Circular 2014-05, titled "Procedures for Server Room Heating, Ventilation, and Air Conditioning (HVAC) Requirements in Leases," allowing for server rooms that are 500 ABOA SF or smaller in size to have the cost for continuous cooling incorporated into the operating cost component of the rent. The Office of Leasing issued this policy, which acknowledged that server rooms are a standard component in most office leases, to be in conformance with modern, private-sector commercial leasing practices. However, server rooms or other areas greater than 500 ABOA SF continued to require reimbursable funding supplied via an RWA, separate from the rent, until issuance of this Leasing Alert.

included in the operating cost component of the rent. This includes, but is not limited to, the following types of services:

- Areas requiring 24/7 HVAC, such as Sensitive Compartmented Information Facility (SCIFs)
 - Regular/recurring HVAC and/or janitorial services beyond a 10-hour day
 - Regular/recurring HVAC and/or janitorial services for multi or weekend shifts
 - Maintenance of specialized tenant-installed equipment.
- d. General, periodic, and as-needed overtime HVAC requirements will continue to be a reimbursable service requiring payment separate from the rent.
- e. This policy will also apply to a net of utilities lease situation, where GSA pays utilities on behalf of the tenant agency. Extended, multi-shift, or continuous services that are mission-driven can be included in the tenant agency's Occupancy Agreement (OA) as part of their operating rent.²
- f. The inclusion of these extended, multi-shift or continuous services cannot cause the fully-serviced rent to exceed the high end of the market. In addition, these additional services may not be included or considered as part of the methodology to develop market rates where rental caps or limitations are required (e.g., prospectus-level projects).

3. Effective Date: This Leasing Alert and attachments are effective immediately for all RLPs issued on or after the signature date. Additionally, any procurement where the due date for final proposal revisions has not passed should be amended to incorporate these new provisions, unless the LCO determines that such amendment would result in unacceptable delays in awarding the lease contract. This LAC will remain in effect until incorporated into the Leasing Desk Guide, modified, or cancelled.

4. Applicability: This LAC applies to all GSA real property leasing activities.

5. Forms Revised: The following forms have been revised:

- a. Revised RLP and lease language is attached. GSA RLP and Lease templates will be updated at a later date, as part of an overall periodic refresh of these templates.

² Per "Rental of Space Funding – Policy Update" issued September 15, 2016, PBS-provided services for net leases are funded through BA61, not BA53, except for above-standard services, which were required to be funded via RWA. Through issuance of this Leasing Alert, all PBS-provided services, including extended multi-shift, or continuous services, will now be funded via BA61 and included in the agency's OA.

- b. GSA Form 1364A
- c. GSA Form 1364
- d. GSA Form 1364WH

6. Policies and Procedures:

- a. During the requirements development phase of the project, the individual tasked with requirements development shall obtain from the agency information regarding regular and recurring mission-related services such as 24/7 or multi-shift Heating, Ventilation, and Air-Conditioning (HVAC), janitorial services, and special maintenance.
- b. When the agency has confirmed that there is a mission-related requirement for regular and recurring services such as continuous 24/7, multi-shift, or extended HVAC services, Leasing Specialists (LSs), LCOs and brokers shall incorporate these requirements into their RLP packages using the revised RLP and Lease language and GSA Form 1364 templates issued through this Leasing Alert. [Note that we will be incorporating the RLP and Lease language contained in this Leasing Alert into future versions of these templates.]
- c. Offerors will be required to include the cost for these extended services as part of the operating rent. For instances where the request involves elongating the "normal hours of operation" beyond a typical 10-hours/day, 5-days/week schedule, offerors will also be required to submit an "Adjustment for Reduced Services Rent," to allow for a reduction in rent should the tenant agency need to revert back to a "10/5" schedule. For leases that are net of utilities, this "Adjustment" figure is not applicable and LCO should omit this from their RLP and Lease documents.
- d. In order to implement the policy in this Leasing Alert, the following language has been deleted from GSA Form 1364 for each lease acquisition model: "Only applies when the Government requires separate reimbursement for 24 hour HVAC as described under Section 1 of the Lease. Otherwise, include this cost in the operating rent, as described under Section 6 of the Lease."
- e. For current leases that include separate charges for regular and recurring extended services, LCOs are authorized, where appropriate and after consultation with the customer agency, to negotiate a Lease Amendment to incorporate these charges into the operating rent. LCOs should weigh the impact that this would have on rental rates, including CPI adjustments, against the reduced administrative burden on PBS and the client agency.

- f. These revised procedures for regular and recurring mission-driven services such as 24/7 or multi-shift HVAC do not impact the handling of periodic overtime HVAC requirements for the rest of the leased space, which shall continue to be paid through RWA funding.
- g. The cost of the build-out of any supplemental HVAC units, if required, shall remain tenant improvement costs.
- h. PBS will update the Pricing Desk Guide in the future to be in conformance with this Leasing Alert.

Attachments:

Attachment 1 – RLP and Lease language
Attachment 2 - GSA Form 1364A_10_18
Attachment 3 - GSA Form 1364_10_18
Attachment 4 – GSA Form 1364WH_10_18

RLP Language

UNTIL THE LANGUAGE IS INCORPORATED INTO THE MODEL TEMPLATES, LCOS MUST MANUALLY REVISE RLP PARAGRAPHS AS FOLLOWS (NEW TEXT IS HIGHLIGHTED IN YELLOW):

Section 3:

RLP Paragraph 3.03 "PRICING TERMS", sub-paragraph B (7) (Global and Warehouse versions) is amended as follows:

3.03 PRICING TERMS (OCT 2018)

Offeror shall provide the following pricing information with its offer:

...

B. GSA Form 1364, Proposal to Lease Space. Complete all sections of the 1364, including, but not limited to:

...

7. An hourly overtime rate for periodic overtime use of heating and cooling, and, if applicable, annual rate for areas requiring 24/7 HVAC Adjustment for Reduced Services. NOTE: Refer to the Lease document for additional guidance.

Lease Language

UNTIL THE LANGUAGE IS INCORPORATED INTO THE MODEL TEMPLATES, LCOS MUST MANUALLY REVISE LEASE PARAGRAPHS AS FOLLOWS (NEW TEXT IS HIGHLIGHTED IN YELLOW):

Section 1: (Global and Warehouse Models)

Lease Paragraph "24-HOUR HVAC REQUIREMENT (OCT 2016)" is intentionally deleted in its entirety.

Section 1: (Global, Warehouse, Simplified and Small Models)

Lease Paragraph "ADJUSTMENT FOR REDUCED SERVICES (OCT 2018)" is newly added.

ACTION REQUIRED: INCLUDE PARAGRAPH ONLY IF THE NORMAL HOURS OF OPERATION STATED UNDER PARAGRAPH 6.01 EXTEND BEYOND A "STANDARD" 10 HOURS PER DAY/5 DAYS PER WEEK OPERATION. THIS PARAGRAPH ALLOWS THE GOVERNMENT REVERT BACK TO "STANDARD" HOURS OF OPERATION AND REDUCE THE RENT BY A PRE-NEGOTIATED AMOUNT.

ACTION REQUIRED: PRIOR TO ISSUING RLP, INSERT ALTERNATIVE HOURS (TYPICALLY 10-HOURS/DAY, 5 DAYS/WEEK). AT LEASE AWARD, INSERT NEGOTIATED REDUCTION AMOUNT. OTHERWISE, DELETE.

ADJUSTMENT FOR REDUCED SERVICES (OCT 2018)

This Lease provides for normal hours of operation as outlined under Lease Paragraph 6.01, Provision of Services, Access, and Normal Hours. In the event the Government requires the following normal hours of operations: {XX AM to XX PM, Monday through Friday, with the exception of Federal holidays}, the rental rate and the base for operating cost adjustments will be reduced by \$XX per ABOA SF, adjusted to include any CPI adjustment as outlined under Lease paragraph entitled Operating Costs Adjustment. This reduction shall occur after the Government gives 30 calendar days' prior notice to the Lessor and shall continue in effect until the Lease expires or is terminated.

Section 6:

The hidden instructional (blue) text for Lease Paragraph 6.01 "PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS (Global, Warehouse, and Simplified versions) is amended as follows:

Global and Simplified:

~~**ACTION REQUIRED:** TYPE IN TENANT AGENCY HOURS OF OPERATION CONSISTENT WITH THE CURRENT PRICING DESK GUIDE DEFINITION OF NORMAL HOURS IN THE PARAGRAPH BELOW; MAY INCLUDE MISSION-RELATED REPEAT/RECURRING EXTENDED SERVICES BEYOND A TYPICAL 10-HOURS PER DAY/ 5 DAYS PER WEEK OPERATION. NOTE THAT SUB-PARAGRAPH A DEFAULTS TO DAYTIME CLEANING AND SHOULD BE MODIFIED IF TENANT AGENCY REQUIRES AFTER HOURS CLEANING. MODIFY SUB-PARAGRAPH A ACCORDINGLY. IF THE SUCCESSFUL OFFEROR AGREES TO PROVIDE EXTENDED HOURS AND/OR DAYS AT NO ADDITIONAL COST OR CONSEQUENCE TO THE GOVERNMENT, SUCH HOURS SHOULD BE ACCEPTED AND INCLUDED IN THE LEASE.~~

6.01 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS (JUN 2012)

6.01 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS (SIMPLIFIED) (JUN 2012)

Warehouse (note: two versions of same paragraph):

VERSION 1 (JANITORIAL INCLUDED IN RENT)

ACTION REQUIRED: CHOOSE ONE OF THE FOLLOWING PARAGRAPHS 6.01 DEPENDING UPON WHETHER JANITORIAL SERVICES ARE NET OR INCLUDED IN RENT. USE THE FIRST VERSION IF INCLUDED IN RENT (DELETING THE SECOND VERSION). OTHERWISE, USE THE SECOND VERSION, DELETING THE FIRST ONE.

~~TYPE IN TENANT AGENCY HOURS OF OPERATION CONSISTENT WITH THE CURRENT PRICING DESK GUIDE DEFINITION OF NORMAL HOURS IN THE PARAGRAPH BELOW; MAY INCLUDE MISSION-RELATED REPEAT/RECURRING EXTENDED SERVICES BEYOND A TYPICAL 10-HOURS PER DAY/ 5 DAYS PER WEEK OPERATION. NOTE THAT SUB-PARAGRAPH A DEFAULTS TO DAYTIME CLEANING AND SHOULD BE MODIFIED IF THE TENANT AGENCY REQUIRES AFTER HOURS JANITORIAL. MODIFY THE FIRST PARAGRAPH ACCORDINGLY.~~

VERSION 2: JANITORIAL NOT INCLUDED IN RENT

ACTION REQUIRED: TYPE IN TENANT AGENCY HOURS OF OPERATION SO THAT WE IDENTIFY DURING WHICH HOURS THE LESSOR CAN ACCESS THE SPACE TO PROVIDE MAINTENANCE, SINCE A GOVERNMENT REPRESENTATIVE SHOULD BE PRESENT WHEN THE LESSOR OR THEIR REPRESENTATIVE ACCESSES THE SPACE. MAY INCLUDE MISSION-

RELATED REPEAT/RECURRING EXTENDED SERVICES BEYOND A TYPICAL 10-HOURS PER DAY/ 5 DAYS PER WEEK OPERATION

6.01 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS (WAREHOUSE) (MAY 2014)

Lease Paragraph 6.04/6.05 "HEATING AND AIR CONDITIONING" (Global, Warehouse, Simplified and Small versions) are amended as follows:

6.05 HEATING AND AIR CONDITIONING (OCT 2018)

Sub-paragraph G is revised, and sub-paragraphs H and I are added as follows:

~~NOTE: 24 HR HVAC MAY ONLY BE INCLUDED IN THE OPERATING RENT FOR LAN ROOMS 500 ABOA SF OR LESS IN SIZE.~~

~~ACTION REQUIRED: CONFIRM WHETHER CLIENT AGENCY REQUIRES DESIGNATED SERVER (LAN) ROOM WITH 24HR COOLING. IF THE AREA REQUIRING 24HR COOLING IS 500 ABOA SF OR LESS, USE THIS PARAGRAPH AND DELETE 1.17, WHICH REQUIRES SEPARATE MONTHLY INVOICING. PRIOR TO ISSUING RLP PACKAGE AND INSERT SQUARE FOOTAGE AND BTU OUTPUT. ADJUST HUMIDITY LEVEL AS NEEDED.~~

~~NOTE: FOR MULTI-TENANT LEASES, THE 500 ABOA SF THRESHOLD APPLIES TO EACH CLIENT AGENCY (I.E., AGENCY BUREAU CODE), SO THAT EACH CLIENT AGENCY MAY HAVE THE COST FOR CONTINUOUS COOLING OF UP TO A 500 ABOA SF SERVER ROOM INCORPORATED INTO THE OPERATING COST COMPONENT OF THE RENT.~~

G. **XX** ABOA SF of the Premises shall receive cooling at all times (24 hours a day, 365 days a year) for purposes of cooling the designated server room. The peak BTU output of this room is established as **XX** BTU per hour. The temperature of this room shall be maintained at **XX** degrees F, with humidity control not to exceed 60% relative humidity, regardless of outside temperature or seasonal changes.

ACTION REQUIRED: LIST AREAS AND CORRESPONDING SQUARE FOOTAGE FOR THOSE AREAS REQUIRING 24/7 HVAC, IN ADDITION TO SERVER ROOM REQUIREMENTS STATED ABOVE.

H. In addition to the server room requirements stated above, the following areas shall receive HVAC at all times:

1. _____
2. _____

ACTION REQUIRED: USE THIS WHEN INCLUDING SUB-PARAGRAPH G OR H, UNLESS THE LEASE IS NET OF UTILITIES.

I. The 24 hour, 365 days a year HVAC service(s) stated above shall be provided by the Lessor as part of the operating rent established under the Lease.

Cover Page for Attachments 2 through 4

EXHIBIT A TO LEASE NUMBER GS-XXP-LXXXXXXX

GSA FORM 1364A
SIMPLIFIED LEASE PROPOSALREQUEST FOR LEASE PROPOSALS NUMBER
XXXXXXX

DATE:

SECTION I – BUILDING INFORMATION

1	A. BUILDING NAME		2	NUMBER OF FLOORS	6	TOTAL PARKING FOR BUILDING
	B. BUILDING STREET ADDRESS			3		LIVE FLOOR LOAD (LBS / SQ FT)
	C. CITY	D. STATE	4	TOTAL RENTABLE AREA (SQ FT)	8	A. BUILDING BUSINESS HOURS (MON – FRI)
	E. 9-DIGIT ZIP CODE	F. CONGR. DISTRICT		5		BUILDING AGE (YRS)

SECTION II – SPACE OFFERED AND RATES

9	FLOOR LOCATION	SUITE NUMBER	ANSI/BOMA SQ FT	TYPE OF SPACE	FLOOR LOCATION	SUITE NUMBER	ANSI/BOMA SQ FT	TYPE OF SPACE

10	TYPE OF SPACE	ANSI/BOMA AREA (SQ FT) A	COMMON AREA FACTOR B	RENTABLE SQ FT (RSF) A x B = C	FIRM TERM		NON-FIRM TERM		OPTION TERM	
					RENTAL RATE PER RSF/YR D	ANNUAL RENT C x D = E	RENTAL RATE (PER RSF/YR) F	ANNUAL RENT C x F = G	RENTAL RATE (PER RSF/YR) H	ANNUAL RENT C x H = I
10	OFFICE				\$	\$	\$	\$	\$	\$
11	OTHER				\$	\$	\$	\$	\$	\$
12	TOTAL					\$		\$		\$
13	COMPOSITE ABOA PER SQ FT RATES				12E + 12A = 13A	\$	12G + 12A = 13B	\$	12I + 12A = 13C	\$

14	A. RATE ADJUSTMENT FOR VACANT SPACE: \$ _____ / ABOA SF		B. FREE RENT INCLUDED IN OFFER <input type="checkbox"/> 1. _____ months free rent (includes shell, operating, TI and BSAC rent) <input type="checkbox"/> 2. Other rental concessions structured as follows _____ <input type="checkbox"/> 3. None	

15	A. HOURLY RATE FOR OVERTIME HVAC: Zone \$ _____ Floor \$ _____ Entire space \$ _____		B. ADJUSTMENT FOR REDUCED SERVICES \$ _____ per ABOA SF* <small>*Only applies when Government requires extended services, such as 24/7 HVAC, beyond normal operating hours (check RLP/Lease for confirmation). Reflects reduction if Government no longer requires these extended services.</small>	

16	NUMBER OF PARKING SPACES OFFERED TO GOVERNMENT:	A. STRUCTURED:	C. SURFACE:
	CHARGE FOR SPACES OFFERED TO GOVERNMENT (IF NOT IN RENT):	B. STRUCTURED: \$ _____ / MO	D. SURFACE: \$ _____ / MO

17	RIGHT TO USE OF ROOFTOP AREA FOR ANTENNAS AND ASSOCIATED RIGHTS IN BUILDING	<input type="checkbox"/> INCLUDED <input type="checkbox"/> NOT INCLUDED
----	---	---

SECTION III – OWNER/OFFEROR INFORMATION

18	A. OFFEROR (NAME AND COMPLETE MAILING ADDRESS)	B. OFFEROR'S AUTHORIZED REPRESENTATIVE (IF APPLICABLE) (NAME AND COMPLETE MAILING ADDRESS)	19	TELEPHONE NUMBER
			20	EMAIL ADDRESS
21	OFFEROR'S FORM OF BUSINESS: <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION – SPECIFY STATE:			

SECTION IV – OFFER

22	RLP AMENDMENTS ACKNOWLEDGED (INITIAL)	NO. 1	NO. 2	NO. 3	NO. 4	NO. 5
23	On behalf of the Offeror, the undersigned offers to lease to the Government the Premises described in Sections I and II, together with all other rights indicated therein, at the rental and other rates stated, on the terms and conditions set forth in the referenced Request for Lease Proposals and this Proposal. This Offer shall remain open for a period of 60 days.					
	A. SIGNATURE	B. NAME	C. TITLE	D. DUNS NUMBER	E. DATE	

EXHIBIT A TO LEASE NO. GS-XXX-XXXXX

SECTION V – PROPOSED ADDITIONAL TERMS, CONDITIONS

24	OFFEROR WILL COMPLETE THE FOLLOWING FIRE/LIFE SAFETY, ACCESSIBILITY, AND ENERGY SAVINGS IMPROVEMENTS AS REQUIRED IN THE LEASE:
25	ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO THIS OFFER:

PROPOSAL TO LEASE SPACE		In Response to Request for Lease Proposals (RLP) Number→		XXXXXX		DATED MM-DD-YYYY	
SECTION I - DESCRIPTION OF PREMISES							
1. BUILDING DESCRIPTION		a. Building Name XXXXX			b. Building Street Address XXXXX		
c. City XXXXX		d. State XX	e. 9-Digit ZIP Code XXXXX-XXXX		f. Congressional District _____		
2a. FLOORS OFFERED _____		2b. TOTAL NUMBER OF FLOORS IN BUILDING _____		3. TOTAL RENTABLE SPACE IN OFFERED BUILDING			
		a. GENERAL PURPOSE (Office) _____ SF		b. WAREHOUSE _____ SF		c. OTHER _____ SF	
4. LIVE FLOOR LOAD _____ Pounds per SF		5. MEASUREMENT METHOD <input type="checkbox"/> ANSI/BOMA <input type="checkbox"/> OTHER		6. YEAR OF LAST MAJOR RENOVATION (If applicable) _____		7. BUILDING AGE _____	
						8. SITE SIZE _____ SF _____ Acres	
SECTION II - SPACE OFFERED AND RATES							
9. ANSI/BOMA OFFICE AREA SQUARE FEET (ABOA) _____		10. RENTABLE SQUARE FEET (RSF) _____			11. COMMON AREA FACTOR (CAF) _____		
<p>"Tenant Improvements" are all alterations for the Government-demised area above the building shell buildout, excluding costs identified as tenant improvements in the Security Unit Price List. Building Specific Amortized Capital (BSAC) is the sum of costs identified as such in the Security Unit Price List. Neither the Tenant Improvements as stated in Block 12, nor the BSAC as stated in Block 13, are to be included in the shell rent. It is expected that the tenant buildout will be fully amortized at the end of the firm term, and the rent will be reduced accordingly. Any desired rent increases or decreases beyond the firm term of the lease should be reflected in the shell rate and fully explained as part of this written proposal. If Tenant Improvements or BSAC improvements are to be amortized beyond the firm term, those calculations must be itemized as part of this written proposal. The Offeror may attach additional pages as necessary.</p>							
					Number of years each cost per square foot is in effect. State any changes for any rent component.		
	a. BUILD-OUT COSTS PER CATEGORY	b. AMORTIZATION TERM	c. AMORTIZATION INTEREST RATE (%)	d. ANNUAL RENT \$ PER RSF	e. ANNUAL RENT \$ PER ABOA SF	f. NUMBER YEARS RATE IS EFFECTIVE	
12. TENANT IMPROVEMENTS (per RLP requirements)	\$ _____	_____	_____	\$ _____	\$ _____	_____	
13. BSAC (per RLP requirements)	\$ _____	_____	_____	\$ _____	\$ _____	_____	
14. SHELL BUILD-OUT (per RLP requirements)	\$ _____	_____	_____	_____	_____	_____	
15. TOTAL BUILD-OUT COSTS	\$ _____	_____	_____	_____	_____	_____	
16. SHELL RENT (Including real estate taxes. Refer to Line 28 on GSA Form 1217)	_____	_____	_____	\$ _____	\$ _____	_____	
17. OPERATING COSTS (Refer to Line 27 on GSA Form 1217)	_____	_____	_____	\$ _____	\$ _____	_____	
18. TOTAL RATE/SF	_____	_____	_____	\$ _____	\$ _____	_____	
19. TOTAL ANNUAL RENT	_____	_____	_____	\$ _____	_____	_____	
	PER SF RATE	FOR YEARS	PER SF RATE	FOR YEARS	PER SF RATE	FOR YEARS	
20. STEP RENT (SHELL RATES)	\$ _____/RSF \$ _____/ABOA	_____ Thru _____	\$ _____/RSF \$ _____/ABOA	_____ Thru _____	\$ _____/RSF \$ _____/ABOA	_____ Thru _____	
21. PARKING <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> a. Number of parking spaces for the entire building/ facility which are under the control of the Offeror: _____ b. Number of parking spaces required by local code: _____ c. Number of parking spaces for Employee/Visitor Use (per RLP): _____ d. Number of parking spaces for Official Government Vehicles (per RLP): _____ e. Does the rental rate offered above include RLP-required parking costs? YES <input type="checkbox"/> NO <input type="checkbox"/> If NO, complete the following: </div> <div style="text-align: right;"> <div style="display: flex; justify-content: space-between;"> <div> _____ Surface _____ Surface _____ Surface _____ Surface </div> <div> _____ Structured _____ Structured _____ Structured _____ Structured </div> </div> Annual cost per space: \$ _____ Surface \$ _____ Structured </div> </div>							

SECTION III - LEASE TERMS AND CONDITIONS

22. INITIAL LEASE TERM <i>(Full Term)</i>			23. RENEWAL OPTIONS			
a. Number of Years XXX	b. Years Firm XXX	c. Number of Days Notice for Government to Terminate Lease XXX	a. Shell Rate / RSF / Yr \$ _____	b. Years Each XXX	c. Number of Options XXX	d. Number of Days Notice to Exercise Option: XXX
24. OFFER GOOD UNTIL AWARD			25. Space will be altered and delivered in accordance with the Government's specifications and requirements in accordance with the Request for Lease Proposals (RLP) and the lease.			
26. COMMISSIONS (If applicable), ATTACH COMMISSION AGREEMENT						
a. Tenant Representative Commission: _____ %		b. Owner's Representative Commission: _____ %		c. Schedule of Commission Payments: _____ % at lease award and _____ % at lease occupancy		
27. OFFEROR'S TENANT IMPROVEMENT FEE SCHEDULE* *Block 27 fees only applicable for TI subject to post-award pricing; N/A for turnkey pricing a. Architectural/Engineering fees will be (choose one): <input type="checkbox"/> 1. \$ _____ per ABOA SF <input type="checkbox"/> 2. _____ % of Total TI construction costs <input type="checkbox"/> 3. \$ _____ flat fee b. Lessor's Project Management Fee will be _____ percent of Total TI construction costs c. If other fees are applicable, state as per ABOA square foot, or if using a percentage, the basis for determining the fee. The Government will add the cost of the proposed TI fees to the net present value of the offered rental rate as described in the RLP's Present Value Price Evaluation paragraph. This schedule will be applicable for Tenant Improvements.			28. ADDITIONAL FINANCIAL ASPECTS OF THE LEASE Adjustment for Vacant Premises: \$ _____ per ABOA SF Adjustment for Reduced Services: \$ _____ per ABOA SF* *Only applies when Government requires extended services, such as 24/7 HVAC, beyond normal operating hours (check RLP/Lease for confirmation) Reflects reduction if Government no longer requires these extended services. HVAC Overtime Rate: \$ _____ per hour per <input type="checkbox"/> zone <input type="checkbox"/> floor <input type="checkbox"/> space (choose one) For rates based on a "per zone" basis, provide the following: Number of zones in offered Space: _____ Building's Normal Hours of HVAC Operation: Monday - Friday _____ AM to _____ PM Saturday _____ AM to _____ PM Sunday _____ AM to _____ PM Percent of Government Occupancy: _____ % Current Year Taxes: \$ _____ Based on fully assessed value? <input type="checkbox"/> Yes <input type="checkbox"/> No Is the offered space part of multiple tax bills or multiple buildings on an single tax parcel? <input type="checkbox"/> Yes <input type="checkbox"/> No If so, provide tax ID numbers and SF for each. Attach the legal description of the offered property. If a site is offered, state the total land costs: \$ _____			
29. FREE RENT INCLUDED IN OFFER <input type="checkbox"/> 1. _____ months free rent (includes shell, operating, TI and BSAC rent) <input type="checkbox"/> 2. Other rental concessions structured as follows _____ <input type="checkbox"/> 3. None			30. LIST OF ATTACHMENTS SUBMITTED WITH THIS OFFER (See RLP requirements) XXXXXX			

31. ADDITIONAL REMARKS OR CONDITIONS WITH RESPECT TO THIS OFFER
 XXXXXX

SECTION IV - OWNER IDENTIFICATION AND CERTIFICATION

32. RECORDED OWNER					
a. Name	b. Address	c. City	d. State	e. ZIP + 4	f. DUNS Number
33. BY SUBMITTING THIS OFFER, THE OFFEROR AGREES UPON ACCEPTANCE OF THIS PROPOSAL BY HEREIN SPECIFIED DATE, TO LEASE TO THE UNITED STATES OF AMERICA, THE PREMISES DESCRIBED, UPON THE TERMS AND CONDITIONS AS SPECIFIED HEREIN, IN FULL COMPLIANCE WITH AND ACCEPTANCE OF THE AFOREMENTIONED RLP, WITH ATTACHMENTS. <input type="checkbox"/> I have read the RLP with attachments in its entirety and am requesting no deviations.					
34. Offeror's Interest in Property <input type="checkbox"/> Owner <input type="checkbox"/> Agent <input type="checkbox"/> Other _____					
35. OFFEROR <input type="checkbox"/> Check if same as Recorded Owner					
a. Name	b. Address	c. City	d. State	e. ZIP + 4	
f. Title	g. E-Mail Address			h. Telephone Number	
i. Offeror's Signature				j. Date Signed MM-DD-YYYY	

LEASE PROPOSAL DATA	In Response to Request for Lease Proposals (RLP) Number	DATE:
1	Offeror's Interest in the Property: <input type="checkbox"/> Fee owner <input type="checkbox"/> Other: Attach evidence of Offeror's interest in property (e.g., deed) and representative's authority to bind Offeror.	
2	Flood Plains: The Property is <input type="checkbox"/> in a base (100-year) flood plain <input type="checkbox"/> in a 500-year flood plain <input type="checkbox"/> not in a flood plain. <i>(See RLP Section 2, Flood Plains.)</i>	
3	Seismic Safety: The Building <input type="checkbox"/> RLP does not contain seismic requirements. No documentation required. <input type="checkbox"/> RLP contains seismic requirements. The Building <input type="checkbox"/> Fully meets seismic requirements or meets an exemption under the RLP <input type="checkbox"/> Does not meet seismic requirements, but will be retrofitted to meet seismic requirements <input type="checkbox"/> Will be constructed to meet seismic requirements <input type="checkbox"/> Will not meet seismic requirements <i>(See RLP Section 2, Seismic Safety.) Attach appropriate documentation.</i>	
4	Historic Preference: The Building is a <input type="checkbox"/> Historic property within a historic district. <input type="checkbox"/> Non-historic developed site or non-historic undeveloped site within a historic district. <input type="checkbox"/> Historic property outside of a historic district. <input type="checkbox"/> None of the above. <i>(See RLP Section 2, Historic Preference.) Attach appropriate documentation.</i>	
5	Asbestos-Containing Material (ACM): The Property <input type="checkbox"/> Contains no ACM, or contains ACM in a stable, solid matrix that is not damaged or subject to damage. <input type="checkbox"/> Contains ACM not in a stable, solid matrix. <i>(See RLP Section 2, Asbestos.)</i>	
6	Fire/Life Safety: The Property <input type="checkbox"/> Meets <input type="checkbox"/> Does not meet Lease fire/life safety standards. <i>(See RLP Section 2, Fire Protection and Life Safety.)</i>	
7	Accessibility: The Property <input type="checkbox"/> Meets <input type="checkbox"/> Does not meet Lease accessibility standards. <i>(See RLP Section 2, Accessibility.)</i>	
8	ENERGY STAR®: The Building <input type="checkbox"/> Has received the ENERGY STAR® Label within the past twelve months. Date (MM-DD-YYYY): _____ <input type="checkbox"/> Has not received the ENERGY STAR® Label within the past twelve months; the Offeror has evaluated energy savings measures and <input type="checkbox"/> Determined that none are cost effective. <input type="checkbox"/> Determined that the following are cost effective (Attach additional pages): <i>(See RLP Section 2, Energy Independence and Security Act.)</i>	
9	Waiver of Price Evaluation Preference. A HUBZone small business concern (SBC) Offeror may elect to waive the price evaluation preference provided in Section 4 of the RLP. In such a case, no price evaluation preference shall apply to the evaluation of the HUBZone SBC, and the performance of work requirements set forth in Section 1 of the Lease shall not be applicable to a lease awarded to the HUBZone SBC Offeror under this solicitation. A HUBZone SBC desiring to waive the price evaluation preference should so indicate below. <input type="checkbox"/> I am a HUBZone SBC Offeror and I elect to waive the price evaluation preference. <i>(See RLP and Lease documents for more information)</i>	

PROPOSAL TO LEASE SPACE
(For use with Warehouse Request for Lease Proposals)

In Response to
Request for Lease
Proposals (RLP)
Number →

XXXXXXX

DATED

MM-DD-YYYY

SECTION I - DESCRIPTION OF PREMISES

1. BUILDING
DESCRIPTION

a. Building Name

b. Building Street Address

c. City

d. State

e. 9-Digit ZIP Code

f. Congressional District

2a. FLOORS OFFERED

2b. TOTAL NUMBER
OF FLOORS IN BUILDING

3. TOTAL RENTABLE SPACE IN OFFERED BUILDING

a. GENERAL PURPOSE
(Office)

b. WAREHOUSE

c. OTHER

SF.

SF

SF

4. LIVE FLOOR LOAD

5. MEASUREMENT
METHOD

6. YEAR OF LAST
MAJOR RENOVATION
(if applicable)

7. BUILDING AGE

8. SITE SIZE

Pounds per SF

☐ ANSI/BOMA
☐ OTHER

SF
Acres

9. CLEAR CEILING HT:
FT INCHES

10. # OF LOADING DOCKS
(exclusive to offered space):

11. TYPES OF LOADING
DOCKS (exclusive to offered
space):
DRIVE-THRU: _____
DOCK-HT: _____

12. EXISTING HEIGHT
OF DOCK-HIGH
LOADING DOCKS
(exclusive to offered
space):

13. # OF DOCK
LEVELORS AND
OPERATING
GRADE (exclusive
to offered space):

14. BAY WIDTH (offered space):
FT INCHES

15. BAY DEPTH (offered
space):
FT INCHES

16. COLUMN SPACING
(offered space):
FT INCHES

17. MAXIMUM TRUCK
TURNING RADIUS:

18. # OF VOLTS
& # OF PHASE
ELECTRIC:

19. WAREYARD SIZE:
X
(Total SF:)

20. TRUCK APRON SIZE:

21. TRUCK COURT DEPTH:

(BLANK)

(BLANK)

SECTION II - SPACE OFFERED AND RATES

22. ANSI/BOMA OFFICE AREA SQUARE FEET (ABOA) _____	23. RENTABLE SQUARE FEET (RSF) _____	24. COMMON AREA FACTOR (CAF) _____
---	---	------------------------------------

"Tenant Improvements" are all alterations for the Government-demised area above the building shell buildout, excluding costs identified as tenant improvements in the Security Unit Price List. Building Specific Amortized Capital (BSAC) is the sum of costs identified as such in the Security Unit Price List. Neither the Tenant Improvements as stated in Block 25, nor the BSAC as stated in Block 26, are to be included in the shell rent. It is expected that the tenant buildout will be fully amortized at the end of the firm term, and the rent will be reduced accordingly. Any desired rent increases or decreases beyond the firm term of the lease should be reflected in the shell rate and fully explained as part of this written proposal. If Tenant Improvements or BSAC improvements are to be amortized beyond the firm term, those calculations must be itemized as part of this written proposal. The Offeror may attach additional pages as necessary.

					Number of years each cost per square foot is in effect. State any changes for any rent component.	
	a. BUILD-OUT COSTS PER CATEGORY	b. AMORTIZATION TERM	c. AMORTIZATION INTEREST RATE (%)	d. ANNUAL RENT \$ PER RSF	e. ANNUAL RENT \$ PER ABOA SF	f. NUMBER YEARS RATE IS EFFECTIVE
25. TENANT IMPROVEMENTS (per RLP requirements)	\$ _____			\$ _____	\$ _____	
26. BSAC (per RLP requirements)	\$ _____			\$ _____	\$ _____	
27. SHELL BUILD-OUT (per RLP requirements)	\$ _____					
28. TOTAL BUILD-OUT COSTS	\$ _____					
29. SHELL RENT (Including current real estate taxes. Refer to Line 28 on GSA Form 1217)				\$ _____	\$ _____	
30. OPERATING COSTS (Refer to Line 27 on GSA Form 1217)				\$ _____		
31. TOTAL RATE/SF				\$ _____		
32. TOTAL ANNUAL RENT				\$ _____		
	PER SF RATE	FOR YEARS	PER SF RATE	FOR YEARS	PER SF RATE	FOR YEARS
STEP RENT (SHELL RATES)	\$ _____/RSF \$ _____/ABOA	____ Thru ____	\$ _____/RSF \$ _____/ABOA	____ Thru ____	\$ _____/RSF \$ _____/ABOA	____ Thru ____
33. PARKING	a. Number of total on-site parking spaces for the entire building/ facility, which are under the control of the Offeror: _____ Surface _____ Structured b. Number of auto parking spaces required by local code: _____ Surface _____ Structured c. Number of truck/trailer parking spaces required by local code: _____ Surface _____ Structured d. Number of auto parking spaces for Employee/Visitor Use (per RLP): _____ Surface _____ Structured e. Number of parking spaces (auto & truck) for Official Government Vehicles (per RLP): _____ Surface _____ Structured f. Does the rental rate offered above include RLP-required parking costs? YES <input type="checkbox"/> NO <input type="checkbox"/> If NO, complete the following: Annual cost per auto space: \$ _____ Surface \$ _____ Structured Annual cost per truck/trailer space: \$ _____					

SECTION III - LEASE TERMS AND CONDITIONS

34. INITIAL LEASE TERM (Full Term)			35. RENEWAL OPTIONS			
a. Number of Years	b. Years Firm	c. Number of Days Notice for Government to Terminate Lease:	a. Shell Rate / RSF / Yr \$ _____	b. Years Each	c. Number of Options	d. Number of Days Notice to Exercise Option:
36. OFFER GOOD UNTIL AWARD			37. Space will be altered and delivered in accordance with the Government's specifications and requirements in accordance with the Request for Lease Proposals (RLP) and the lease.			
38. COMMISSIONS (if applicable), ATTACH COMMISSION AGREEMENT						
a. Tenant Representative Commission: _____ %		b. Owner's Representative Commission: _____ %		c. Schedule of Commission payments: _____ % at lease award and _____ % at lease occupancy		
39. OFFEROR'S TENANT IMPROVEMENT FEE SCHEDULE a. Architectural/Engineering fees will be (choose one): <input type="checkbox"/> 1. \$ _____ per ABOA SF <input type="checkbox"/> 2. _____ % of Total TI construction costs <input type="checkbox"/> 3. \$ _____ flat fee b. Lessor's Project Management fees will be _____ percent of Total TI construction costs c. If other fees are applicable, state as per ABOA square foot, or if using a percentage, the basis for determining the fee. The Government will add the cost of the proposed fees to the net present value of the offered rental rate as described in the RLP's Present Value Price Evaluation paragraph. This schedule will be applicable for Tenant Improvements.			40. ADDITIONAL FINANCIAL ASPECTS OF THE LEASE Adjustment for Vacant Premises: \$ _____ per ABOA SF Adjustment for Reduced Services: \$ _____ per ABOA SF* *Only applies when Government requires extended services, such as 24/7 HVAC, beyond normal operating hours (check RLP/Lease for confirmation). Reflects reduction if Government no longer requires these extended services. Utilities in Offered Space (By Lessor or Lessee?): _____ Janitorial in Offered Space (Lessor or Lessee?): _____ Trash Removal in Offered Space (Lessor or Lessee?): _____ HVAC Overtime Rate (n/a if net of utilities): \$ _____ per hour per <input type="checkbox"/> zone <input type="checkbox"/> floor <input type="checkbox"/> space (choose one) For rates based on a "per zone" basis, provide the following: Number of zones in offered Space: _____ Building's Normal Hours of HVAC Operation (Indicate n/a if the lease is net of utilities): Monday - Friday _____ AM to _____ PM; Saturday _____ AM to _____ PM; Sunday _____ AM to _____ PM Percent of Government Occupancy: _____ % Current Year Taxes: \$ _____ Based on fully assessed value? <input type="checkbox"/> Yes <input type="checkbox"/> No Is the offered space part of multiple tax bills or multiple buildings on a single tax parcel? <input type="checkbox"/> Yes <input type="checkbox"/> No If so, provide tax ID numbers and SF for each. Attach the legal description of the offered property. If a site is offered, state the total land costs: \$ _____			
41. LIST OF ATTACHMENTS SUBMITTED WITH THIS OFFER (See RLP requirements) XXXXX						
42. FREE RENT INCLUDED IN OFFER <input type="checkbox"/> 1. _____ months free rent (includes shell, operating, TI and BSAC rent) <input type="checkbox"/> 2. Other rental concessions structured as follows _____ <input type="checkbox"/> 3. None						
43. ADDITIONAL REMARKS OR CONDITIONS WITH RESPECT TO THIS OFFER XXXXX						

SECTION IV - OWNER IDENTIFICATION AND CERTIFICATION

44. RECORDED OWNER					
a. Name	b. Address	c. City	d. State	e. ZIP + 4	
45. BY SUBMITTING THIS OFFER, THE OFFEROR AGREES UPON ACCEPTANCE OF THIS PROPOSAL BY HEREIN SPECIFIED DATE, TO LEASE TO THE UNITED STATES OF AMERICA, THE PREMISES DESCRIBED, UPON THE TERMS AND CONDITIONS AS SPECIFIED HEREIN, IN FULL COMPLIANCE WITH AND ACCEPTANCE OF THE AFOREMENTIONED RLP, WITH ATTACHMENTS. <input type="checkbox"/> I have read the RLP with attachments in its entirety and am requesting no deviations.					
46. Offeror's Interest in Property <input type="checkbox"/> Owner <input type="checkbox"/> Agent <input type="checkbox"/> Other _____					
47. OFFEROR <input type="checkbox"/> Check if same as Recorded Owner					
a. Name	b. Address	c. City	d. State	e. ZIP + 4	f. DUNS Number
f. Title	g. E-Mail Address		h. Telephone Number		
i. Offeror's Signature			j. Date Signed MM-DD-YYYY		

LEASE PROPOSAL DATA		In Response to Request for Lease Proposals (RLP) Number	DATE:
1	Offeror's Interest in the Property: <input type="checkbox"/> Fee owner <input type="checkbox"/> Other: Attach evidence of Offeror's interest in property (e.g., deed) and representative's authority to bind Offeror.		
2	Flood Plains: The Property is <input type="checkbox"/> in a base (100-year) flood plain <input type="checkbox"/> in a 500-year flood plain <input type="checkbox"/> not in a flood plain. <i>(See RLP Section 2, Flood Plains.)</i>		
3	Seismic Safety: The Building <input type="checkbox"/> RLP does not contain seismic requirements. No documentation required. <input type="checkbox"/> RLP contains seismic requirements. The Building <input type="checkbox"/> Fully meets seismic requirements or meets an exemption under the RLP <input type="checkbox"/> Does not meet seismic requirements, but will be retrofitted to meet seismic requirements <input type="checkbox"/> Will be constructed to meet seismic requirements <input type="checkbox"/> Will not meet seismic requirements <i>(See RLP Section 2, Seismic Safety.) Attach appropriate documentation.</i>		
4	Historic Preference: The Building is a <input type="checkbox"/> Historic property within a historic district. <input type="checkbox"/> Non-historic developed site or non-historic undeveloped site property within a historic district. <input type="checkbox"/> Historic property outside of a historic district. <input type="checkbox"/> None of the above. <i>(See RLP Section 2, Historic Preference.) Attach appropriate documentation.</i>		
5	Asbestos-Containing Material (ACM): The Property <input type="checkbox"/> Contains no ACM, or contains ACM in a stable, solid matrix that is not damaged or subject to damage. <input type="checkbox"/> Contains ACM not in a stable, solid matrix. <i>(See RLP Section 2, Asbestos)</i>		
6	Fire/Life Safety: The Property <input type="checkbox"/> Meets <input type="checkbox"/> Does not meet Lease fire/life safety standards. <i>(See RLP Section 2 Fire Protection and Life Safety.)</i>		
7	Accessibility: The Property <input type="checkbox"/> Meets <input type="checkbox"/> Does not meet Lease accessibility standards. <i>(See RLP Section 2, Accessibility.)</i>		
8	ENERGY STAR®: The Building <input type="checkbox"/> Has received the ENERGY STAR® Label within the past twelve months. Date (MM-DD-YYYY): _____ <input type="checkbox"/> Has not received the ENERGY STAR® Label within the past twelve months; the Offeror has evaluated energy savings measures and: <input type="checkbox"/> Determined that none are cost effective. <input type="checkbox"/> Determined that the following are cost effective (Attach additional pages): <i>(See RLP Section 2, Energy Independence and Security Act.)</i>		
9	Waiver of Price Evaluation Preference. A HUBZone small business concern (SBC) Offeror may elect to waive the price evaluation preference provided in Section 4 of the RLP. In such a case, no price evaluation preference shall apply to the evaluation of the HUBZone SBC, and the performance of work requirements set forth in Section 1 of the Lease shall not be applicable to a lease awarded to the HUBZone SBC Offeror under this solicitation. A HUBZone SBC desiring to waive the price evaluation preference should so indicate below. <input type="checkbox"/> I am a HUBZone SBC Offeror and I elect to waive the price evaluation preference. <i>(See RLP and Lease documents for more information)</i>		